

Subject

SPARES PROGRAM

This Service Advisory describes COMPAQ Computer Corporation's existing Spare Parts Program. Authorized Dealers should use the policies and procedures described in this document until a final COMPAQ Authorized Dealer Guide is published. This Advisory will be superceded by the Authorized Dealer Guide.

1. SPARES WARRANTY PROGRAM

All spare parts sold by COMPAQ Computer Corporation are covered by the COMPAQ Computer Corporation 90-Day Limited Warranty. This warranty is provided to protect the end-user from any failures which can be attributed to a defect within a COMPAQ Computer spare part, and that occur during the first 90 days of ownership. This warranty begins the day a warranted part is installed into a COMPAQ Computer Corporation product and expires 90 days later.

This coverage permits the Authorized Dealer to be reimbursed for labor and parts required to correct problems attributable to defects in a COMPAQ Computer spare part. Excluded from this coverage are failures resulting from disaster, accident, abuse, misuse, or modifications not authorized by COMPAQ Computer Corporation. For further information on coverage description and limitations, refer to the COMPAQ Computer Corporation 90-Day Limited Warranty statement.

2. SPARES WARRANTY REIMBURSEMENT CRITERIA AND PROCEDURES

COMPAQ Computer Corporation will reimburse the Authorized Dealer for labor and parts required to correct problems encountered during either of the warranty periods.

To be reimbursed for warranty repairs, the Authorized Dealer must meet the following criteria for each warranty service event:

1. The Authorized Dealer must verify that the product is currently under warranty.

This can be done by calling the COMPAQ Dealer Support Center, or by including a photocopy of the customer's sales receipt along with the service invoice on the service event.

2. The repair work must be done by or under the supervision of a technician who has attended the COMPAQ Service Training Class.
3. If the repair work requires the replacement of spare parts, regardless of the exchange value of the parts, those defective parts must be returned to COMPAQ Computer Corporation within two (2) weeks of the service event.

Make sure that a Return Materials Authorization (RMA) number is marked clearly on the outside of the box containing the parts being returned. The RMA number must be obtained to authorize the return of the parts to COMPAQ Computer Corporation.

RMA numbers can be obtained by calling the COMPAQ Authorized Dealer HotLine:

1-800-231-9977 (U.S. Dealers Outside Texas)

1-800-392-4811 (Texas Dealers Only)

The Authorized Dealer will bear all liabilities and shipping costs for returning defective spares to COMPAQ Computer Corporation.

4. A completed COMPAQ Authorized Dealer Service Invoice must be returned to COMPAQ Computer Corporation within two (2) weeks of the service event. If parts were replaced as part of the service event, this invoice must be returned with the package containing the parts.

The invoice must be approved and signed by a technician who has attended the COMPAQ Service Training Class.

5. Upon receipt by COMPAQ Computer Corporation, defective spares must be free of evidence of damage from misuse, abuse, neglect, accident, or disaster.

Labor Reimbursement

Labor used to trouble-shoot and repair a product under warranty will be reimbursed according to the current COMPAQ Spares Pricing and Warranty Labor Rate Schedule. This schedule assigns a fixed dollar cost to the trouble-shooting and repair of each field replacement unit within a COMPAQ product. COMPAQ Computer Corporation will periodically review and revise these labor rates as economic conditions dictate.

It is the responsibility of the Authorized Dealer to indicate on the COMPAQ Authorized Dealer Service Invoice which rate schedule was used to calculate the total labor for that invoice. Labor reimbursements will be credited to the Authorized Dealer's service account and applied towards current or future spares orders.

Parts Reimbursement

Reimbursement for parts used in warranty repairs can take the form of a replacement part or a credit to the Authorized Dealer's spares account, at the choice of the Authorized Dealer. The method of reimbursement desired must be selected while filling out the COMPAQ Service Invoice.

It is the responsibility of the Authorized Dealer to indicate on the COMPAQ Authorized Dealer Service Invoice which rate schedule was used to calculate the total parts credit for that invoice. Parts credits will be applied towards current or future spares orders.

The invoice will be used by COMPAQ Computer Corporation to automatically generate the appropriate spares credits or to order the replacement part. If a replacement part is chosen, the part will either be new or refurbished, at COMPAQ Computer Corporation's discretion.

5. EXCHANGE CREDIT

COMPAQ Computer Corporation has designated that certain spare parts have an exchange value. When an out-of-warranty service event requires that these parts be replaced, they may be returned to COMPAQ Computer Corporation and credit will be applied to the Authorized Dealer's service account. The exchange values of these parts can be found on the COMPAQ Spares Pricing and Labor Rate Schedule.

To receive credit for exchangeable parts, the Authorized Dealer must make sure that the following criteria are met:

1. Make sure that a Return Materials Authorization (RMA) number is marked clearly on the outside of the box containing the parts being returned.

The RMA number must be obtained to authorize the return of the parts to COMPAQ Computer Corporation. RMA numbers can be obtained by calling the COMPAQ Dealer HotLine:

1-800-231-9977 (U.S. Dealers Outside Texas)
1-800-392-4811 (Texas Dealers Only)

2. Complete a COMPAQ Authorized Dealer Service Invoice on the service event during which the spare parts are being exchanged were found to be defective. When filling out the PARTS USAGE portion of the invoice, indicate in the MATL CREDIT column the quantity of each part being exchanged.

This invoice must be returned with the package containing the parts.

3. Upon return to COMPAQ Computer Corporation, defective spare parts must be free of evidence of damage from misuse, abuse, neglect, accident, or disaster.

COMPAQ Computer Corporation will apply the exchange credits to existing or future spares orders by the Authorized Dealer.

6. RETURN CREDIT

COMPAQ Computer Corporation will only provide return credit for spares that are being returned as part of a warranty, extended warranty option, service option, or defective spares credit transaction. Spares cannot be returned as part of an inventory reduction by the dealer, unless under a specific authorization to do so issued by COMPAQ Computer Corporation.

7. SHIPPING PARTS

In all cases where spare parts are returned to COMPAQ Computer Corporation, the following procedure must be used:

1. The shipment must be authorized by COMPAQ Dealer Support. This requires that a Return Materials Authorization number be obtained and written clearly on the outside of the parts shipping container.

RMA numbers can be obtained by calling the COMPAQ Dealer HotLine:

1-800-231-9977 (U.S. Dealers Outside Texas)

1-800-392-4811 (Texas Dealers Only)

2. Complete a COMPAQ Computer Corporation Service Invoice on the service event during which the spare parts are being exchanged were found to be defective. When filling out the PARTS USAGE portion of the invoice, indicate in the MATL CREDIT column the quantity of each part being exchanged.

This invoice must be returned with the package containing the parts.

3. Upon return to COMPAQ Computer Corporation defective spare parts must be free of evidence of damage from misuse, abuse, neglect, accident, or disaster.

It is recommended that all spares being returned be packaged in the cartons in which the replacement part was shipped by COMPAQ Computer Corporation to the Authorized Dealer. These cartons have been specially designed to minimize the possibility of damage to the spare part during shipment.

4. The parts must be sent to:

COMPAQ Computer Corporation
Customer Service Department
12330 Perry Rd
Houston, TX 77070

8. HANDLING NON-REPAIRABLE PARTS

COMPAQ Computer Corporation requires that non-repairable parts used during warranty or option repairs be returned to COMPAQ Computer Corporation with the Service Invoice for the service event.

Non-repairable parts used during out-of-warranty repairs should be disposed of in accordance with local laws and regulations.

COMPAQ Computer Corporation recognizes that an Authorized Dealer might occasionally be required to perform a service action that the Authorized Dealer feels should be covered under warranty but is not specifically listed on the COMPAQ Spares Pricing and Warranty Labor Rate Schedule. Should this occur, the Authorized Dealer must describe the situation fully, in writing, and send that information along with a completed COMPAQ Authorized Dealer Service Invoice to:

COMPAQ Computer Corporation
20333 FM149
Houston, TX 77070

ATTN: Customer Service Manager

3. TYPES OF PARTS ORDERS

There are two types of spare parts orders:

1. Firm Commitment Orders
2. Special Orders

Firm Commitment Orders are purchase orders requesting a shipping date at least 60 days from the date on which COMPAQ Computer Corporation receives the order. This is the way you should normally order COMPAQ spare parts. Orders placed with less lead time are subject to surcharges as discussed below, and you have much less assurance of receiving the products on the dates requested. Order for delivery at least 60 days out, whenever possible.

Special Orders are purchase orders which are received less than 60 days prior to the requested shipping date. COMPAQ Computer Corporation will make every effort to ship Special Orders as requested, based on product availability. Special Orders are subject to an additional charge equal to five percent (5%) of the Authorized Dealer price of the items ordered, with the following exception: spare parts which are not included in the standard COMPAQ Spare Parts Kit(s) may be ordered for delivery within 60 days at no additional charge. Parts which are included in the standard Spare Parts Kit(s) should be stocked in sufficient supply at the dealership, and will be subject to Special Order surcharges.

PLEASE NOTE: If you are placing a Special Order, please include only Special Order items on the purchase order, and submit a separate order for any

additional items needed.

4. PLACING AN ORDER

Parts may be ordered by written or verbal purchase order. Written purchase orders may be submitted via your own standard purchase order form which should be filled out completely with the following information: billing and shipping addresses, shipping instructions, purchase order number, signature of authorized buyer, product number, price, and description.

If the order requests delivery at least 60 days from the date we receive it, it will be entered as a Firm Commitment Order. If the purchase order is for shipment of spare parts within 60 days of the date it is received at COMPAQ Computer Corporation, it will be entered as a Special Order. As described above, Special Orders are subject to a five percent (5%) surcharge, with the exception of spare parts not included in the standard Spare Parts Kits. Please mail to ATTN: Order Processing.

Parts may also be ordered via the COMPAQ Service Invoice. All parts returned to COMPAQ Computer Corporation for exchange must be accompanied by a completed COMPAQ Service Invoice. The Parts Usage portion of the invoice allows you to request that a part being returned be exchanged for a replacement part. Refer to Paragraph 7 of this advisory for an explanation of how to fill out the Service Invoice.

To place an order with COMPAQ Computer Corporation, complete an Authorized COMPAQ Computer Dealer Purchase Order form, or your own purchase order form, and return it to:

COMPAQ Computer Corporation
Marketing Administration
20333 FM149
Houston, Texas 77070

In order for us to verify the signature of the person ordering, we need a completed signature card for each location to which we will ship products. Please request a supply of the Authorized COMPAQ Computer Dealer Signature Card forms from the Marketing Administration Department, if you have not yet received any. The authorizing signature on this card should be the same as on the Authorized Dealer Agreement established between your dealership and COMPAQ Computer Corporation.